



RAJKUMAR FORGE LIMITED

22ND ANNUAL REPORT

2011 - 2012

BOARD OF DIRECTORS	: S.PADMANABHAN PRABHAKAR.B.KORE PRADEEP BHARGAVA SWASTIK SIRSIKAR SHANTANU.R.KOTHAVALA R.S.KOTHAVALA	Chairman Managing Director
COMPANY SECRETARY	: VIJAY.V. KULKARNI	
AUDITOR	: M/S BAPAT & COMPANY CHARTERED ACCOUNTANTS PUNE	
COST AUDITOR	: MRS.VARSHA.S.LIMAYE COST ACCOUNTANT, PUNE	
BANKERS	: BANK OF BARODA	
REGISTRAR AND TRANSFER AGENTS	LINK INTIME INDIA PRIVATE LIMITED BLOCK NO 202, 2'ND FLOOR AKSHAY COMPLEX, NEAR GANESH TEMPLE, DHOLE PATIL ROAD, PUNE – 411 001 PHONE NO : (020)26160084, 26161629 TELE FAX : 020 –26163503 E-MAIL: pune@linkintime.co.in WEBSITE : www.linkintime.com	
REGISTERED OFFICE	: 18, SHIVAJI CO-OP HOUSING SOCIETY OFF SENAPATI BAPAT ROAD, PUNE 411 016 PHONE (020) 25639050 / 51 / 52 FAX : (020) 25639049 E-MAIL:-secretarial @rkforge.in WEBSITE : www.rkforging .com	
FACTORY	: GAT NO 357, KHARABWADI CHAKAN- TALEGAON ROAD CHAKAN- 410501, TALUKA- KHED, DISTRICT-PUNE	

Members who wish to obtain all the Notices, Annual Reports and other communications from the company on e-mail, are requested to up-date their e-mail id in their depository account . Shareholders holding shares in physical form and wish to avail the above information on e-mail can send their request to Link Intime India Pvt. Ltd., Registrars of the Company with folio no and details of their e-mail id's.

CONTENTS
PAGE

Notice	3
Management Discussion and Analysis	4
Corporate Governance Report	5
Directors Report	9
Auditors Report	10
Balance Sheet	12
Profit and Loss Account	13
Cash Flow Statement	14
Notes annexed to Balance Sheet	15

NOTICE

Notice is hereby given that the Twenty Second Annual General Meeting of the Members of Rajkumar Forge Limited will be held on Saturday the 11th day of August, 2012 at 10.30 A.M (IST) at Poona Club Limited, 6 Bund Garden Road, Pune 411001 to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2012 and Profit and Loss Account for the year ended as on that date together with Reports of the Auditors and Directors thereon.
2. To declare dividend on equity shares.
3. To appoint a Director in place of Mr Prabhakar B Kore, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Director in place of Mr. Shantanu.R.Kothavale who retires by rotation and being eligible, offers himself for re-appointment.
5. To consider and, if thought fit, to pass with or without modification following resolution as an ORDINARY RESOLUTION:-

“RESOLVED THAT pursuant to provisions of Section 224, 224A and other applicable provisions, if any of the Companies Act, 1956 M/s Bapat and Company, Chartered Accounts, having Firm Registration No 100997W issued by The Institute of Chartered Accounts of India, be and are hereby re-appointed as Auditors of the Company to hold office from the conclusion of this Meeting till the conclusion of the next Annual General Meeting of the Company and the Board of Directors be and is hereby authorized to fix their remuneration for the period, based on the recommendations of the Audit Committee, in addition to reimbursement of all out of pocket expenses in connection with the audit of the accounts of the company for the year ending 31st March, 2013.”

6. Special Business :

To consider and if thought fit, to pass with or without modification, the following resolution as a **SPECIAL RESOLUTION** :-

“ RESOLVED that pursuant to the provisions of Section 198, 269, 309, 310, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 read with Article 141 of Articles of Association of the company and subject to such approvals as may be necessary, approval of members is hereby accorded to the reappointment of Mr. R. S. Kothavale as Managing Director of the Company for a period of 5 (Five) years with effect from 1st July, 2012 on remuneration stated in explanatory statement attached herewith and upon the terms and conditions as set out in draft agreement to be entered into between the Company and Mr.R.S.Kothavale and open for inspection at the time of meeting.”

**BY ORDER OF BOARD OF DIRECTORS
FOR RAJKUMAR FORGE LIMITED**

Place : Pune
Date : 12th May, 2012

**R.S.KOTHAVALA
MANAGING DIRECTOR**

NOTES :

- 1) **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON POLL INSTEAD OF HIMSELF / HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY IN ORDER TO BE EFFECTIVE MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. PROXIES SHALL NOT HAVE ANY RIGHT TO SPEAK AT THE MEETING.**
- 2) A brief profile of Directors retiring by rotation and being eligible for re-appointment is included in the Corporate Governance Report, which forms part of Directors' Report and shareholders are requested to refer to the same. The Board of Directors of the Company recommend their respective re-appointments.
- 3) Members who hold shares in dematerialized form are requested to bring their CLIENT ID and DP ID numbers for easy identification of attendance at the meeting.

- 4) Members holding equity shares in dematerialized form are requested to intimate changes in their address, bank details etc. to their respective DPS. Those members holding shares in physical form are requested to advise Link Intime India Private Limited, Registrar and Transfer agent of the Company having its office at “ Block No .202 Second Floor, Akshay Complex, Dhole Patil Road, Pune-411001, immediately of any change in their address.
- 5) The Register of Members and Share Transfer Books of the Company will remain close from Tuesday 7th day of August, 2012 to Saturday 11th day of August, 2012 (both days inclusive).
- 6) Members may avail of the facility of dematerialization of equity shares by opening demat accounts with Depository Participants of either National Securities Depository Limited (NSDL) or Central Depository Services (India) Limited and get the equity share certificates dematerialized. **The ISIN No of the Company is INE13J01016.**
- 7) In case of dematerialized equity shares, the dividend payment shall be made through NECS, wherever relevant bank account details are made available by NSDL and CDSL.
- 8) Those members who have not encashed /received the dividend warrants for the previous years may approach the Secretarial Department at the Registered Office of the Company for claiming un-paid / un-claimed dividend.
- 9) Dividend which remain unclaimed / un-encashed for a period of 7 years will be transferred by the Company to Investor Education and Protection Fund (IEPF) constituted by the Central Government, under Section 205A and 205C of The Companies Act, 1956, no claim by the shareholder shall lie for un-encashed dividend transferred to IEPF.
- 10) Members desirous of getting any information in respect of accounts of the Company and proposed resolutions, are requested to send their queries in writing to Company at its' Registered Office at least 7 days before the date of the meeting, so that the required information to the extent possible can be made available at the meeting.
- 11) Members are requested to bring their copies of Annual Report to the Meeting. In case of joint holders attending the meeting, only such joint holders who is higher in order of names will be entitled to vote. Members /proxies attending the meeting should bring the Attendance Slip, duly filled in for handing over at the venue of the meeting.
- 12) Members holding shares in single name and in physical form are advised to make nomination in respect of their shareholding in the Company. The nomination form is available on website of the Company at www.rkforging.com.
- 13) Members are requested to intimate to Link Intime India Private Limited, Registrar and Transfer Agents of the Company their e-mail address for sending notice /documents through e-mail as per directives issued by Government of India, Ministry of Corporate Affairs , through Circular No 17/2011 dated 21.04.2011.

By Order of Board of Directors

Place : Pune
Date : 12th May, 2012

**R.S.KOTHAVALA
MANAGING DIRECTOR**

**EXPLANATORY STATEMENT UNDER SECTION 173 (2) OF THE
COMPANIES ACT, 1956.**

Special Business Item No 6 :

Mr.R.S.Kothavale is promoter director of your company. He has been serving as a Managing Director since its inception. His present term is up to 30th June, 2012.

The Remuneration Committee and the Board of Directors have, at their respective meetings held on 12th th, May 2012 , approved re-appointment and remuneration of Mr .R .S.Kothavale as Managing Director for further period of 5 (five) years w.e.f 1st July, 2012 subject to the approval of members as required under the provisions of the Companies Act 1956.

Shri.R.S.Kothavale shall not, while he continues to be Managing Director, be subject to retirement by rotation pursuant to the provisions of Section 255 of the Companies Act, 1956.

The Board of Directors is of the opinion that re-appointment of Mr.R.S.Kothavale as Managing Director is in the best interest of the Company as his dynamic leadership, mature guidance, knowledge of the Company's core activities and wide experience will benefit the Company.

Pursuant to the aforesaid Board Resolution re- appointing Mr.R.S.Kothavale. as Managing Director ,of the Company and your proposed approval, the Company proposes to enter into an agreement with Mr.R.S.Kothavale w.e.f.1st July, 2012. The appointment of Mr.R.S.Kothavale is as per the provisions of Section 269 read with Schedule XIII part II Section I of the Companies Act,1956 and is subject to the approval of members in the Annual General Meeting. Mr.R.S.Kothavale has attained 73 years of age. Hence, a Special resolution as stated at Item No 6 is placed before the Annual General Meeting for its approval.

The important terms and conditions of appointment and remuneration applicable to Mr.R.S.Kothavale, as set out in the draft agreement effective from 1st July,2012 are as under :

Mr.R.S.Kothavale will be looking after the overall working of the Company and such additional duties as may be assigned by the Board of Directors from time to time. The period of agreement will be 5 years i.e 1st July,2012 to 30th June 2017.

BASIC SALARY :

Rs.1,00,000/- (Rupees One Lac) per month.

PERQUISITES

- (a) In addition to the aforesaid salary, the Managing Director shall be entitled to the following perquisites :
1. Medical Premium ,Personal accident insurance premium, club membership etc which shall not exceed Rs.2,50,000 per annum.
 - 2) Superannuation at the rate of 10% of basic salary Rs. 1,20,000/-
 - 3) Gratuity – Rs.57,692/- Per Annum
 - 4) Leave travel Allowance – Rs.1,00,000/- Per Annum

COMMISSION

In case of adequacy of Profit commission shall be decided by the Board of Directors based on the net profits of the Company each year, subject to the condition that the aggregate remuneration of the Managing Director shall not exceed the limit laid down under Section 309 of the Companies Act, 1956.

MINIMUM REMUNERATION

In the event of loss or inadequacy of profits in any financial year during the currency of his tenure as Managing Director, the remuneration shall be paid basic salary and perquisite as stated above subject to the ceilings stipulated in Section I of Part II of Schedule XIII to the Companies Act, 1956 as minimum remuneration.

Mr. R. S. Kothavale himself and Mr. Shantanu.R. Kothavale, Mr. Prabhakar.R. Kore, relatives of Mr. R.S. Kothavale be deemed to be interested in the resolution.

The aforesaid may be treated as an abstract of the terms of Mr. R.S.Kothavales' appointment as Managing Director pursuant to Section 302 of the Companies Act,1956.

The documents and or letters referred to in the Resolution and in the Explanatory Statement annexed hereto are open for inspection by the Members at the Secretarial Department of the Company ,on all working days between 10.30 A.M to 12. 30 P.M up to the date of the Annual General Meeting except on Saturday, Sunday and Public Holidays till conclusion of the ensuing Annual General Meeting.

MANAGEMENT DISCUSSION & ANALYSIS OF FINANCIAL CONDITIONS

Manufacturing Industry is backbone of Indian economy. The year 2011-2012 has shown low economic growth. In the year 2011-2012 GDP growth was at 6.75 % as compared to 2010-2011 which was 8.7%. Forging Industry caters to the needs of automobile and heavy engineering industry. Our unit is related to Heavy Engineering and Machine Building Industry which is a core sector.

OPERATIONS & FINANCIAL PERMORMANCE :

Sales and profit performance for the year ended 31st March, 2012 is satisfactory. Following is the summary of performance.

Year	2011-2012 (Rs.in Lacs)	2010-2011 (Rs. in Lacs)
Sales	5553.05	3163.94
Cost of operation	4923.94	2856.11
Interest & Depreciation	308.03	232.18
Profit before Tax	488.77	312.41
Provision for Taxation	164.75	112.44
Net Profit after Tax	324.02	199.97

Export performance of the Company for the last three years is tabled below :

Year	Export Value (Rs.)	Total Sales Value (Rs.)	% Export	% Export Growth/ (decline)
2009-2010	269,758,839	326,449,062	82.63	(5.88)
2010-2011	276,788,714	3163,93,558	87.48	4.85
2011-2012	511,183,411	5553,05,147	92.05	7.37

GENERAL :

The Registered Office of the Company is situated at 18, Shivaji Co-operative Housing Society, Off. Senapati Bapat Road, Pune- 411016.

The Company is governed by ISO 14001 for Environmental Management System and OHSAS 18001 for Occupational Health and Safety Management System and also under ISO 9001-2000.

INTERNAL CONTROL SYSTEM & THEIR ADEQUACY :

Company has reasonable Internal Control System to safeguard assets of the Company and detects, frauds or irregularities, if any. The internal control system is designed to ensure reliability of financial records and other records for preparing financial statements.

CONCERN & THREATS :

The world economy is under slow down. The Companies export account for about 92.05% of the total business. International buyers are regular in placing orders. It is expected that there will be increase turnover of the company in the next financial year.

Impact of the volatile Foreign Exchange Rates is enormous. The Company has taken forward exchange cover from Bank of Baroda, Pune Camp Branch to reduce the impact of foreign exchange rate difference.

OUTLOOK :

During the year under review, the Company was able to maintain sales in spite of the competitive conditions. Market out-look for next two years looks promising. However, un-certainties in the exchange rate fluctuations may adversely affect the performance of the Company.

CAUTIONARY STATEMENT

Statements in this Management Discussion and Analysis, describing the Company's objectives, projections, estimates and expectations may be "forward looking statements" within the meaning of applicable laws and regulations. Actual results might differ materially from those either expressed or implied.

HUMAN RESOURCES :

The Company has a strength of 70 employees as on 31'st March,2012. The Company continues to maintains cordial relations with its' employees. The key focus of the Company is to develop and retain talented employees.

APPRECIATION

Your Directors wish to place on record their grateful thanks to Bank of Baroda for their continued support and confidence reposed in the Company by its' shareholders.

TO THE BOARD OF DIRECTORS OF RAJKUMAR FORGE LIMITED
CERTIFICATION BY CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER OF THE COMPANY

I, the undersigned, in my capacity as Managing Director of Rajkumar Forge Limited, ("the Company"), to the best of my knowledge and belief certify that :

- (a) I have reviewed financial statements and the cash flow statement for the year ended 31'st March, 2012 and to the best of my knowledge and belief :
 - (i) these statements do not contain any material untrue statement or omit any material fact or contain statements that might be misleading.
 - (ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of my knowledge and belief no transactions entered in to by the Company during the year ended 31'st March, 2012 , which are fraudulent, illegal or violative of the Company's code of conduct.
- (c) I accept the responsibility for establishing and maintaining internal controls for financial reporting and I have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and I have disclosed to the Auditors and Audit Committee , deficiencies in the design or operation of such internal controls, if any, of which I am aware and the steps that have been taken or proposed to take to rectify these deficiencies.
- (d) I have indicated to the Auditors and the Audit Committee :
 - (i) Significant changes in internal control over financial reporting during the year.
 - (ii) Significant change in accounting policies during the year and that the same have been disclosed in the notes to financial statement; and
 - (iii) Instances of significant fraud of which we are aware and the involvement there in,if any, of the management or an employee having a significant role in the companies internal control system over financial reporting.

RAJKUMAR .S.KOTHAVALA
Managing Director

Date : 12'th May , 2012
Place : Pune

REPORT ON CORPORATE GOVERNANCE
1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Rajkumar Forge Limited's philosophy on Corporate Governance aims at establishing a mechanism by which the most effective and efficient values, principles, management policies and procedures of the Company are inculcated with highest level of transparency and accountability throughout the organization. It is not only a sine qua non for facing intense competition for sustainable growth in the emerging global business scenario but is also an embodiment of the parameters of fairness, accountability and transparency to maximize value for the stakeholders. The Company believes in maintaining highest standard of quality and ethical conduct, in all the activities of the Company.

This chapter of the Report plus the information given under the Management Discussion and Analysis and Shareholder Information constitutes the Report On Corporate Governance for the Year 2011-2012.

2. Board Level Issues
• Composition of Board

The Board of Directors consists of six Directors as on 31'st March 2012, comprising of Chairman who is a non-executive Director, Managing Director who is an executive director. The other four (4) Directors are non-executive, and out of which two (3) are independent. Details are given in Table 1.

- During the year the Board Meetings were held on :-

Sr.No	Date of Board Meeting
1	28'th May,2011
2	12'th August,2011
3	31'st October,2011
4	13'th February,2012

Directors attendance Record

Table 1 gives the composition of the Board, the category of Directors and their attendance record.

Table 1

Name of Director	Category	No. of Board Meetings held	No of Board Meeting attended
R.S.Kothavale Managing Director	Promoter Executive	4	4
S.Padmanabhan Chairman	Non-Executive Independent	4	3
P.B.Kore	Promoter and Non-Executive	4	2
S.R.Kothavale	Non-Executive	4	2
Pradeep Bhargava	Non-Executive Independent	4	4
Swastk Sirsikar	Non-Executive, Independent	4	4

Table 1A shows attendance of Directors at last Annual General Meeting.

Name of Director	No of General Meetings held	No of General Meeting attended
R.S.Kothavale Managing Director	1	1
S.Padmanabhan Chairman	1	1
Pradeep Bhargava	1	1
P.B.Kore	1	1
S.R.Kothavale	1	0
Swastik Sirsikar	1	0

OUTSIDE DIRECTORSHIP

Name of Director	Directorship in Public Limited Companies	Directorship in Private Limited Companies
R.S.Kothavale Managing Director	01	01
S.Padmanabhan Chairman	08	03
Pradeep Bhargava	04	01
P.B.Kore	02	00
S.R.Kothavale	00	00
Swastik Sirsikar	01	01

No Directors is a member of more than 10 Board level committees of Public Companies in which they are Directors, nor is Chairman of more than five such Committees.

As mandated by Clause 49, the independent Directors of Rajkumar Forge Limited :

- Apart from receiving Director's remuneration ,do not have any material pecuniary relationships or transactions with the company, its promoters, its' directors, Its senior management which may affect independence of Director.
- Are not related to promoters or persons occupying management positions at the Board level or at one level below the Board.
- Have not been executive of the Company in the immediately preceding three financial years.
- Are not partners or executives or were not partners or executives during the preceding three financial years :
 - Statutory audit firm or the internal audit firm that is associated with the Company.
 - Legal firm and consulting firm that have a material association with the Company
- Are not material suppliers, service providers or customers or lessors or lessees of the Company, which may affect independence of the directors.
- Are not substantial shareholders of the Company i.e do not own two percent or more of block of voting power.
- Are not less than 21 years of age.

INFORMATION PLACED BEFORE THE BOARD

The Board of Rajkumar Forge Limited is presented with all relevant information on various vital matters affecting the working of the Company in addition to the matters set out in Annexure IA of Clause 49 of the Listing Agreement. Also extensive information is provided on various critical matters such as production, sales, export, financial performance ,foreign exchange exposure, staff matters, legal proceedings, share transfer compliance, quarterly financial results, significant labour and human relation matters, and other such matters with detailed notes along with agenda papers.

3 AUDIT COMMITTEE

The role and terms of reference of the Audit Committee covers the matters specified under Clause 49 of the Listing Agreement with the Stock Exchanges, Section 292A of the Companies Act, 1956 other terms as may be referred by the Board of Directors and interalia includes the following:

- Reviewing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Reviewing with the management the annual and quarterly financial statements before submission to the Board
- Discussing with Internal Auditors any significant findings and follow up on such issues;
- Reviewing with the management ,external and internal auditors , the adequacy of internal control system
- Reviewing details of related party transactions

- Reviewing the Company's financial and risk management policies.
- Reviewing any changes in accounting policies or practices as compared to last completed financial year and commenting on any deviation from accounting standards etc.
- Discussing with the statutory auditors before the audit commences on the nature and scope of audit, as well as having post audit discussion to ascertain area of concern.

The Audit Committee comprises of two (2) non-executive and independent directors, Mr.Pradeep Bhargava and Mr. Swastik Sirsikar and one (1) executive director Mr. Rajkumar S.Kothavale . Mr. Pradeep Bhargava is Chairman of the Committee. All members are financially literate and have related financial management expertise . Accounts officers and financial executives , the Statutory Auditors and the Internal Auditors also attend the Audit Committee Meetings. The Company Secretary acts as a Secretary of the Committee.

During the year the Audit Committee Meetings were held on :-

Sr.No	Date of Board Meeting
1	28'th May,2011
2	12'th August,2011
3	31'st October,2011
4	13'th February,2012

The Number of Audit Committee Meetings and attendance of the members of Audit Committee meeting is given below:

Name of Director	Category	No of Audit Meetings held	No of Meetings Attended
R.S.Kothavale	Promoter Executive	4	4
Pradeep Bhargava	Non-Executive Independent	4	4
Swastik Sirsikar	Non-Executive Independent	4	4

4. REMUNERATION COMMITTEE

The present Remuneration Committee comprises of two non-executive Independent Directors. viz Mr.Pradeep Bhargava, Mr.Swastik Sirsikar are members of Remuneration Committee, with Mr. Pradeep Bhargava the Chairman of the Committee

The broad terms of reference of the remuneration committee are as follows :

- To decide on the remuneration policy of the managerial personnel
- To approve the appointment/re-appointment of the managerial personnel for such tenure as they may decide.
- To approve the remuneration package to the managerial personnel within the limits provided in Schedule XIII of the Companies Act, 1956 read with other applicable provisions of the said Act.

Such other powers/functions as may be delegated by the Board from time to time.

REMUNERATION TO DIRECTORS
REMUNERATION DURING THE YEAR 2011-2012

Name of Director	Salary (Rs.)	Perquisites (Rs.)	Sitting fees (Rs.)	Commission	Total (Rs.)
R.S.Kothavale Managing Director	1477400	240276	N.A	3,85,000	2102676
P.B.Kore	N.A	N.A	20,000	80,000	100000
S.R.Kothavale	N.A	N.A	20,000	80,000	100000
Pradeep Bhargava	N.A	N.A	100000	80,000	180000
Swastik Sirsikar	N.A	N.A	100000	80,000	180000
S.Padmanabhan	N.A	N.A	30,000	80,000	110000
Total	1477400	240276	2,70,000	7,85,000	27,72,676

Notes: Salary = Basic salary, Commission and Bonus.

Perquisite include, Gratuity, Superannuation leave encashment and health Insurance.

5. COST AUDIT

Central Government Order No 52/26/CAB/2010 dated 30th June,2011 has issued circular requiring maintenance of cost records and audit of cost records required to be maintained relating to manufacture of steel (covered under Central Excise Tariff Act 1985, Chapter 72 & 73 and intermediate and allied products of industries) by practicing cost accountant from financial year 2011-2012. Accordingly Mrs.Varsha Limaye, Cost Accountant has been appointed to Audit Cost Audit Records and submit Cost Audit Report.

6. INVESTOR / SHAREHOLDERS GRIEVANCE COMMITTEE

The Shareholder's/Investor Grievance Committee of the Board has been constituted to look into complaints like transfer of shares , non-receipt of Balance Sheet, Non-receipt of Annual Report etc.

The Committee comprises of Mr.Swastik Sirsikar and Mr.R.S.Kothavale, executive Director. Mr.Swastik Sirsikar as Chairman of the Committee. The status of Complaints is reported to the Board of Directors at every Board Meeting. Mr.Vijay.V. Kulkarni,Company Secretary ,Member of the Institute of Company Secretaries of India , is Compliance Officer. The Compliance Officer can be contacted at :

Rajkumar Forge Limited

18, Shivaji Co-oprative Housing Society
Off Senapati Bapat Road
Pune-411016
Tel:-020 – 25639050 / 51/ 52 Fax :020- 25639049
EMAIL: secretarial@rkforge.in, invest@rkforge.in

The total number of complaints received and replied to the satisfaction of shareholders and SEBI during the year ended 31st March 2012 were Nine. There were no complaints pending as on 31st March, 2012.

7. GENERAL BODY MEETINGS :

Date	Location	Time
25 th July, 2009	Poona Club,6 Bund Garden Road Pune-1	10.30 A.M
31 st July, 2010	Poona Club,6 Bund Garden Road Pune-1	10.00 A.M
30 th September, 2011	Poona Club,6 Bund Garden Road Pune-1	11.00 A.M

No Special Resolutions were passed at Twenty First Annual General Meeting of the Company. No Special Resolutions were passed in the above meetings by postal ballot.

No extraordinary general meeting was held during the year under review

8. PARTICULARS OF REAPPOINTMENT OF DIRECTORS:

- Mr.P.B.Kore:** Mr.Prabhakar.B.Kore is active member of the Parliament of India representing constituency of Karnataka State besides this he is also Chancellor of KEL University, Belgeam, Chairman Shivshakati Sugars Ltd,Soudatti,Dist.Belgam. He is also on the Board of VRL Logistic and is active member of various social organizations in diverse capacities.

He is holding 1,70,100 equity shares of the Company as on 31.03.2012 and his shareholding 1.55%. He is also related to promoter Director, Mr. R. S.Kothavale and Shantanu.R.Kothavale, Directors of the Company.

- Mr.Shantanu.R.Kothavale :** Shantanu.R.Kothavale is graduate in electronics with computer as major from Santa Clara University,California,USA. He is having total 21 years of rich experience in various capacities in hardware and software in USA.

He is holding 5,04,100 equity shares of the Company as on 31.03.2012 and His shareholding is 4.61%. He is related to Mr. R. S. Kothavale and Mr.Prabhakar.B.Kore, Director of the Company.

9. DISCLOSURES

- During the year under review, there has been no materially significant related party transactions made by the Company with its Promoters, Directors or management that may have potential conflict with the interests of the Company at large.
- During the last three years, there were no strictures or penalties imposed by either SEBI or the stock exchanges or any statutory authority for non-compliance of any matter related to the capital markets.

- Equity shares of the company continues to be listed on the Bombay Stock Exchange Limited which is having nationwide trading terminals.

- The National Securities Depository Services Limited (NSDL) and Central Depository Services (India) Limited (CDSL) continues to admit the equity shares of the Company for dematerialization.

The company is in process of framing a whistle blower policy. However, the Company affirms that there were no instances of denying access to any personnel seeking hearing of the Audit Committee.

Your Company confirms to norms of Corporate Governance as envisaged in the Companies Act, 1956 and that of Listing Agreement entered into with The Bombay Stock Exchange Ltd. A report on Corporate Governance, along with the certificate of compliance from the Auditors forms part of this report. The company has not adopted the non-mandatory requirements as mentioned in Annexure ID of Clause 49 of the Listing Agreement.

10. MEANS OF COMMUNICATION

The quarterly results were published in national daily news papers. The Free Press Journal (English edition) and Navshakti (Marathi edition) on following dates as given below :

- Audited Financial Results for the period ended on 31.03.2011 on 30.05.2011.
- Unaudited Financial Results – First Quarter ended on 30.06.2011 on 13.08.2011.
- Unaudited Financial Results–Second Quarter ended on 30.09.2011 on 1.11.2011.
- Unaudited Financial Results –Third Quarter ended on 31.12.2011 on 14.02.2012.

The Company issues notices to the shareholders regarding convening of General Meeting and Communication with Stock Exchanges, SEBI and the Registrar of Companies, Pune by Registered Post/Courier and Fax. The Company's website address is www.rkforaging.com, where by all the necessary information relating to the Company and its performance is maintained by the Company.

- Date and Time : 11th August,2012 at 10. 30 A.M.
Venue : Poona Club,6 Boat Club Road, Pune- 411 001
- Financial Year : 1st April,2011 to 31st March, 2012
- Date of Book Closure : 7th August,2012 to 11th August 2012 (both days inclusive)
- Dividend Payment date : The Board of Directors has recommended a dividend at 15% on equity shares. i.e Rs 1.50 per share. The dividend if declared by the 22nd Annual General Meeting will be paid within 30 days of date of declaration.
- Listing on Stock Exchanges & Stock Code : The Company's shares are listed on The Bombay Stock Exchange Limited : 513369
- Market Price Data : High / Low of market price of the Company's shares traded on The Bombay Stock Exchange Ltd, Mumbai during the period from April,2011 to 31st March,2012 is furnished below :

Month	High (Rs.)	Low (Rs.)	Volumes	Month	High (Rs.)	Low (Rs.)	Volumes
April, 2011	17.99	14.90	30,700	October, 2011	17.30	12.24	9,200
May, 2011	16.95	14.05	29,100	November, 2011	15.00	10.35	12,200
June, 2011	18.15	14.07	13,400	December, 2011	17.79	11.87	3,000
July, 2011	15.70	13.00	8,800	January, 2012	18.65	17.75	27,500
August, 2011	16.95	14.25	3,100	February, 2012	16.90	15.30	4830
September, 2011	15.98	12.72	12,100	March, 2012	14.55	9.30	3200

Source: Official website of The Bombay Stock Exchange (www.bseindia.com)

VII) Registrar and Transfer Agents:

Your Company has appointed M/s Link Intime India Private Limited (Formerly known as Intime Spectrum Registry Limited) as its Registrar and Transfer Agents. It is SEBI registered Registrar and Transfer Agents. The entire work relating to processing of transfer of shares and investor relation has been assigned to M/s Link Intime India Private Limited:

Head Office : C-13, Pannalal Silk Mills Compound L.B.S. Marg Bhandup, Mumbai 400078
Telephone No: (022) 25963838
Fax No: (022) 25946979

Pune Office : Second Floor, Block No. 202, Akshay Complex, Dhole Patil Road, Pune -411001
Telephone No-020- 26160084, 26161629, 26051629
Telefax: 020-26053503
E-mail ID : pune@intimespectrum.com

Share Transfer System:

The Company has in its Board Meeting held on 25th November, 2010, has reconstituted the Share Transfer Committee by delegating the power of share transfer severally to Mr. Rajkumar S. Kothavale, Managing Director and Mr. Swastik Sirsikar, Director under Clause 49 (IV) (G) (iv) of the Listing Agreement with a view to facilitate quicker transfer and dematerialization of equity shares. The Committee meets on a weekly basis to consider and approve the transfer, transmission, consolidation, sub division and issue of duplicate certificates. The Company's R & T Agent M/s Link Intime India Private Limited issues share certificate of transfer to the shareholders within 30 days of receipt of certificate for transfer.

IX) Distribution of shareholding :

Distribution Schedule

Distribution of shareholding as on 31st March, 2012

Shareholding of Nominal Value Rs.	Shareholders Number	Shareholders % to Total	Share Amount in Rupees	Share Amount % to Total
Up to 5000	11932	94.7736	1610400	14.7211
5,001 to 10,000	354	2.8118	3034000	2.7735
10001 to 20,000	120	0.9531	1836000	1.6783
20001 to 30000	42	0.3336	1079000	0.9863
30001 to 40000	29	0.2303	1087000	0.9937
40001 to 50000	32	0.2542	1541000	1.4087
50001 to 1,00,000	30	0.2383	2419000	2.2113
1,00,001 and above	51	0.4051	82294000	75.2272
Total	12,590	100.0000	109,394,000	100.0000

Shareholding Pattern as on 31st March, 2012

Serial No	Category	No of shares	% of shareholding
A	Promoters holding		
1	Promoters		
	Indian Promoters	6396900	58.4758
	Sub Total	6396900	58.4758
B	Non-Promoter's Shareholding		
2.	Institutional Investors		
A	Mutual Funds and UTI	Nil	Nil
B	Banks, Financial Institutions, Insurance Companies	100	0.0009
C	FII'S	Nil	Nil
	Sub Total	100	0.0009
3	Others		
A	Private Corporate Bodies	87500	0.7999
B	Indian Public	3839000	35.0933
C	NRIS / OCBS	601500	5.4985
D	Any Others	14400	0.316
	Sub Total	4542400	41.5242
	Grand Total	10939400	100.000

X) Dematerialization of Shares:

The equity share of the Company have been admitted for dematerialization on NSDL and CDSL effective from 10th March, 2008 and 23rd January, 2008 respectively and ISIN NO.-INE 013J01016 has been allotted to the Company.

As on 31st March, 2012 about 16,15,000 equity shares viz 14.7631 %

of the paid-up equity share capital have been dematerialized.

- XI) Outstanding GDRs/ADRS/Warrants or Any Convertible Instruments, conversion date and likely impact on equity : Not issued.
- XII) Plant Location: Gat No 357, Kharabwadi, Chakan Talegaon Road, Chakan, Taluka Khed, District Pune - 410501.
- XIII) Address for correspondence: Shareholder's Correspondence can be addressed to:

Link Intime India Private Limited:

Head Office : C-13, Pannalal Silk Mills Compound L.B.S. Marg Bhandup, Mumbai 400078
Telephone No : (022) 25963838
Fax No: (022) 25946979

Pune Office : Block No 202, Second Floor, Akshay Complex, Dhole Patil Road, Pune -411001
Telephone No: (020) 26160084, 26163503
E-mail ID: pune@intimespectrum.com

The Company Secretary

Rajkumar Forge Limited

18, Shivaji Housing Society
Off Senapati Bapat Road,
Pune - 411016
Tel : (020) 25639050, 25639051, 25639052
Fax : (020) 25639049
Email : secretarial@rkforge.in , invest@rkforge.in

Code of Conduct

The Board of Rajkumar Forge Limited has laid down a code of conduct for all Board Members and Senior Management of the Company. The code of conduct is available on the website of the Company, www.rkforaging.com. As required by Clause 49 (D) (ii) all the Board Members and Senior Management have affirmed compliance of code of conduct of the Company . The Managing Director has confirmed and certified the same to the Board of Directors.

Place : Pune
Date : 12th May 2012

RAJKUMAR.S.KOTHAVALA
Managing Director

To,

The Members of

RAJKUMAR FORGE LIMITED.

Auditors' Certificate on Corporate Governance

We have reviewed the records concerning the Company's compliance of the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement entered into by the Company with the Stock Exchanges of India for the financial year ended on 31st March, 2012.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our review was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of an opinion on the financial statements of the Company.

We have conducted our review on the basis of the relevant records and documents maintained by the Company and furnished to us for examination and the information and explanations given to us by the Company.

Based on such a review, and to the best of our information and according to the explanations given to us, in our opinion, the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement of the Stock Exchanges of India.

We further state that such compliance is neither an assurance as to the further viability of the Company nor to the efficiency with which the management has conducted the affairs of the Company.

For BAPAT AND COMPANY

Chartered Accountants

Firm Registration No. 100997W

A. N. Bapat

Partner

Membership No. 7524

Place: Pune
Date: 12th May 2012

DIRECTORS' REPORT

To,
The Members,

Your Directors have pleasure in presenting their Twenty Second Annual Report with Audited Accounts of the Company for the year ended 31st March 2012.

FINANCIAL HIGHLIGHTS

	31.03.2012 (Rs.Lacs)	31.03.2011 (Rs. Lacs)
Profit/(Loss) for the year before interest, Financial Charges & Depreciation	796.80	544.59
Less :		
Interest, Financial Charges for the year	238.08	106.90
Depreciation	69.95	114.17
Profit/ (Loss) for the year	488.77	312.41
Add/ (Less) Provision for Income Tax	(122.00)	(114.20)
Add / (Less) Deferred Tax	(42.75)	1.759
Net Profit/(Loss) for the period	324.02	199.96

DIVIDEND:

Your Directors recommend a divided at the rate of 15%, viz Rs.1.50/- (Rupee One Paisa Fifty Only) per share for the financial year ended 31st March, 2012.

OPERATIONS:

During the year under consideration, customer order position was satisfactory. Sales income is at Rs. 5524.84 Lacs compared to previous years Rs.3112.73 Lacs . Exports increased from Rs.2767.89 Lacs (previous year) to Rs 5111.83 Lacs. The Company is expecting to improve both Export and Domestic Sales for the year 2012-2013, which will result in better profitability. The Company has earned net profit of Rs. 324.02 Lacs during the financial year 2011-2012.

PUBLIC DEPOSITS:

During the period under review your company has not accepted any fixed deposits from the public.

CLARIFICATION ON AUDIT QUALIFICATIONS:

The Statutory Auditors have pointed out that as per Company's Policy, Sale of goods is recognized at the point of dispatch. The sale for the current year includes Sales to a Customer amount to Rs.471.89 lacs (Previous year Rs.456.47 Lacs) where dispatch has been made but actual title has not been transferred. This is in accordance with the agreement entered into with customer where title of goods will be transferred on actual usage.

The information as regards vendor under "The Micro Small and Medium Enterprises Development Act ,2006" is pending and hence no disclosure has been made in this regard.

DIRECTORS RESPONSIBILITY STATEMENT:

Pursuant to the requirement under Section 217 (2AA) of the Companies Act, 1956 with respect to Directors' Responsibility Statement, your Directors confirm that:

- 1) In the preparation of the Annual Accounts for the financial year ended March 31, 2012 , the applicable accounting standards have been followed along with proper explanations relating to material departures ,if any.
- 2) The Directors have selected such accounting policies and have applied them consistently and have made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the financial year under review .
- 3) Proper and sufficient care had been taken for the maintenance of adequate accounting records in accordance with provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- 4) The Directors have prepared the annual accounts for the financial year ended March 31, 2012 on " going concern basis".

DIRECTORS:

Mr P.B.Kore Director, who retires by rotation at this Meeting and being eligible, offers himself for re-appointment.

Mr.Shantanu.R.Kothavale Director, who retires by rotation at this Meeting and being eligible, offers himself for re-appointment.

The brief resume and other details relating to the Directors who are eligible for re - appointment form part of the Report on Corporate Governance.

AUDITORS:

You are requested to re-appoint the retiring auditor M/s Bapat & Company for the current year to hold the office from the conclusion of ensuing Annual General Meeting until the conclusion of the next Annual General Meeting of the Company.

PERSONNEL:

There are no employees in respect of whom particulars are required to be disclosed pursuant to Section 217 (2A) of Companies Act ,1956.

CONSERVATION OF ENERGY, TECHONOLGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

The additional information required under the provisions of Section 217(1) (e) of the Companies Act, 1956, read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules,1988 and forming a part to this report I is given in Annexue A to this report.

ACKNOWLEDGEMENTS:

Your Directors wish to place on record their appreciation for the co-operation extended by various Government Authorities, Financial Institution/s ,shareholders, and staff of the Company.

FOR AND ON BEHALF OF THE BOARD

Place : Pune

Date 12th May, 2012.

R.S.KOTHAVALA
MANAGING DIRECTOR

ANNEXURE TO THE DIRECTORS REPORT
ANNEXURE-A

Information required under Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors Rules, 1988

A. Conservation of Energy
a. Energy conservation measures

The Company has installed additional 1600 Tons Press Complex with integrated manipulator and ingot truck ,rotary table ,equipped with Computer control. This is very high-speed press with computer C.N.C. control which results into optimum productivity and hence reduction in energy cost. The Company has also installed winflex an energy saving device.

- b. Impact of measures under (a) above: The Company has operated on optimal cost and is able to reduce energy cost.
- c. Total energy consumption and energy consumption per unit of production as per Form A of the Annexure to the Rules in respect of Industries specified in Schedule thereto

POWER AND FUEL CONSUMPTION

		2011-2012	2010-2011
1.	Electricity Purchase		
	Units (inKWH)	18,20,135	16,35,326
	Total Cost (Rs.)	140,80,331	102,06,307
	Rate/Unit (Rs.)	7.74	6.24
2.	Fuel		
	Oil Quantity (K.L)	2296,735	2,039.223
	Total Cost (Rs.)	116,813,276	80,215,326
	Rate/K(Ltrs)	50,860	39,333

CONSUMPTION PER UNIT OF PRODUCTION

1.	Steel Forging Production (MT)	4133.056	2467.525
	Electricity (Unit- KWH)	440.38	662.74
	Fuel Oil (Ltrs)	555.70	826.42

B. Technology Absorption Research and Development (R & D)

1. Specific Areas in which R & D Activity is being carried on by the Company
 - Development of new products
 - Improvement of product quality
 - Process Improvement
 - Cost effectiveness
 - Cost reduction
2. Benefits derived out of above R & D: The Company is confident of improvement in product quality as well as being cost effective.
3. Future plan of action

The Company's efforts will continue in the areas of development of new and critical forgings and improvement in quality. The Company possesses the necessary technology for manufacturing of forgings.

C. Foreign Exchange Earnings and outgo

	2011-2012	2010-2011
Foreign Exchange inflow		
FOB value of Exports (Rs. Lacs)	5111.83	2767.89
Others	NIL	NIL
Foreign Exchange outflow (Rs. Lacs)	5,670	22,359